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Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01
CIAE-00 COME-00 EPG-02 DODE-00 FPC-01 H-02 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-15
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PRS-01 /120 W
----------041236 132055Z /65
P 131635Z JUL 77
FM AMCONSUL VANCOUVER
TO SECSTATE WASHDC PRIORITY 3606
INFO AMEMBASSY OTTAWA
CONGENS (POUCH)

UNCLAS VANCOUVER 0667

E.O. 11652: NA
TAGS: ENRG, CA
SUBJECT: ENERGY: ALASKA HIGHWAY PIPELINE INQUIRY

REF: VANCOUVER 594

1. SUMMARY. MEMBERS OF THE YUKON TERRITORIAL GOVERNMENT TOLD THE LYSYK INQUIRY ON JULY 8 THAT A GAS PIPELINE WOULD PROVIDE OPPORT-UNITIES FOR YUKON INDIANS TO BUILD AN ECONOMIC BASE WHICH COULD IN TURN CONTRIBUTE TO A "JUST AND EXPEDITIOUS" SETTLEMENT OF CLAIMS AT A LATER DATE. YUKON COMMISSIONER PEARSON SAID THAT IN THE INTERIM OTTAWA COULD GRANT AN ADVANCE CASH PAYMENT TO THE INDIANS FOR PURPOSES OF ACQUIRING EQUITY PARTICIPATION IN THE PIPELINE. PEARSON ALSON URGED THE INQUIRY TO REQUIRE THAT ANY PIPELINE CONSTURCTION CERTIFICATE GUARANTEE EQUITY PARTICIPATION BY THE YUKON GOVERNMENT ITSELF. THE TERRITORIAL GOVERNMENT CALLED FOR CREATION OF A SINGLE AGENCY TO OVERSEE THE PIPELINE AND A MANPOWER HIRING AND TRAINING POLICY TO GIVE PREFERENTIAL TREATMENT TO YUKONERS. END SUMMARY.

2. ACCORDING TO INFORMATION RELEASES ISSUED BY YUKON HOUSE IN
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VANCOUVER, MEMBERS OF THE YUKON TERRITORIAL GOVERNMENT APPEARED BEFORE THE LYSYK INQUIRY ON JULY 8 AND MADE A NUMBER OF POINTS RELATIVE TO THE ALASKA HIGHWAY PIPELINE PROPOSAL. CONGEN HAS REQUESTED COPIES OF THE GOVERNMENT S POSITION PAPER AND THEY WILL BE FORWARDED TO THE EMBASSY AND EUR/CAN UPON RECEIPT.

3. INDIAN CLAIMS. YUKON COMMISSIONER PEARSON STATED THE GOVERNMENT

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FEELS PIPELINE CONSTRUCTION "COULD PROCEED WITHOUT PREJUDICE TO THE SETTLEMENT OF THE YUKON INDIAN LAND CLAIM" AND THAT IN FACT CONSTRUCTION WOULD PROVIDE THE YUKON INDIANS WITH AN OPPORTUNITY TO BUILD AN ECONOMIC BASE WHICH COULD ULTIMATELY CONTRIBUTE TO A "JUST AND EXPEDITIOUS SETTLEMENT." HE PRESENTED THE FOLLOWING FOUR-POINT PROGRAM WHICH HE URGED THE FEDERAL GOVERNMENT TO ADOPT AS A BASIS FOR INDIAN PARTICIPATION IN THE YUKON S FUTURE:

A. "GRANT A SIGNIFICANT CASH PAYMENT IN ADVANCE OF SETTLEMENT AND INSURE THAT IT CAN BE USED BY THE YUKON INDIAN PEOPLE TO ACQUIRE SUBSTANTIAL EQUITY PARTICIPATION IN THE PIPELINE - THIS SHOULD PROVIDE LONG TERM ECONOMIC BENEFITS AS WELL AS PARTICIPATION IN POLICY DECISIONS THROUGH REPRESENTATION ON THE BOARD OF DIRECTORS OF THE PIPELINE COMPANY."

B. "ADVANCE A FUTURE PRE-SETTLEMENT CASH PAYMENT TO ENABLE NATIVE BUSINESS CORPORATIONS ALONG THE PIPELINE ROUTE TO PARTICIPATE IN THE CONSTRUCTION AND ANCILLIARY SERVICE OPPORTUNITIES."

C. "PENDING FINAL SETTLEMENT, DELINEATE CERTAIN TRADITIONAL HUNTING, TRAPPING AND FISHING AREAS NEAR THE PIPELINE CORRIDOR WHICH ARE OF SPECIAL CONCERN TO YUKON INDIAN PEOPLE AND APPLY TERMS AND CONDITIONS THAT WILL PREVENT ADVERSE EFFECTS BY PIPELINE CONSTRUCTION."

D. "IF NECESSARY, SUSPEND LAND CLAIM NEGOTIATIONS FOR A PERIOD OF SIX MONTHS TO ENABLE THE YUKON INDIAN PEOPLE TO CONCENTRATE ON THE PROPOSED ARRANGEMENTS AND ESTABLISH BUSINESS CORPORATIONS SO THAT BENEFITS WILL FLOW TO ALL COMMUNITIES ADJACENT TO THE PIPELINE CORRIDOR."

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RM EQUITY PARTICIPATION. TO ENSURE DIRECT AND CLEAR ECONOMIC BENEFITS (APART FROM NORMAL TAX REVENUES) TO YUKONERS, COMMISSIONER PEARSON REQUESTED THAT THE TERRITORIAL GOVERNMENT OBTAIN A DIRECT EQUITY IN THE PIPELINE AND SUGGESTED THE CREATION OF A SPECIAL FUND, SUCH AS THE ALBERTA HERITAGE FUND OR THE CANADA DEVELOPMENT CORPORATION, TO DIRECT THE SPENDING OF INCOME WHICH MIGHT ACCRUE. HE STATED TO THE INQUIRY THAT "WE URGE YOU TO RECOMMEND TO THE GOVERNMENT OF CANADA THAT A REQUIREMENT OF ANY CERTIFICATE FOR CONSTRUCTION OF A NORTHERN PIPELINE BE THAT THIS EQUITY BE GUARANTEED." HE ADDED, HOWEVER, THAT THE YUKON GOVERNMENT "HAS NO WISH TO IMPOSE INTOLERABLE FINANCIAL STRAINS ON THE PROJECT."

5. SINGLE AGENCY TO OVERSEE PIPELINE. TO AVOID A SITUATION WHEREBY THE YUKON GOVERNMENT MIGHT HAVE TO BEAR HEAVY COSTS OF SOCIO-ECONOMIC DISRUPTION, PEARSON SAID IT WAS ABSOLUTELY ESSENTIAL TO ESTABLISH A SINGLE AGENCY TO OVERSEE THE IMPACTS OF A GAS PIPELINE ON THE YUKON. SUCH AN AGENCY WOULD BE ASSISTED BY A PUBLIC ADVISORY COUNCIL COMPOSED OF SPECIAL INTEREST GROUPS, SUCH AS NATIVE ORGANIZATIONS, ENVIRONMENTALISTS AND WILDLIFE EXPERTS. PEARSON SAID THE COSTS OF SUCH AN AGENCY AND COUNCIL WOULD BE RELATIVELY HIGH AND WOULD HAVE TO BE BORNE BY THE PIPELINE

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COMPANIES.

6. PIPELINE EMPLOYMENT. THE TERRITORIAL GOVERNMENT "PLACES THE HIGHEST PRIORITY" ON LEGISLATION AND CONTROLS TO PREVENT A FLOOD OF SOUTHERN JOB-SEEKERS INTO THE YUKON. TO THAT END, THE GOVERNMENT WOULD PROMOTE WITH FEDERAL FUNDING A NATIONAL CAMPAIGN TO DISCOURAGE ITINERANT WORKERS AND INSIST ON PREFERENTIAL HIRING AND TRAINING POLICIES TO GIVE YUKONERS FIRST OPPORTUNITY TO FILL PERMANENT OPERATIONS AND MAINTENANCE POSITIONS. THE GOVERNMENT TOLD THE INQUIRY A LOCAL HIRE POLICY SHOULD BE WRITTEN INTO ANY PERMIT OF RIGHT-OF-WAY GRANTED TO THE PIPELINE APPLICANT AND IT MUST APPLY TO ALL PARTIES INVOLVED IN CONSTRUCTION.
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Control Number: n/a
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Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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